GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:663
ANSWERED ON:28.07.2006
KAYAMKULAM POWER PROJECT
Manoj Dr. K.S.

Will the Minister of POWER be pleased to state:

(a) whether National Thermal Power Corporation a Naphtha based Power Project Kayamkulam, in Kerala with a capacity of 359.58 MW is severely under utilized due to huge rise in Price of Naphtha;

(b) if so, whether the Government proposes to reintroduce the exemption of Excise duty on Naphtha;

(c) whether any remedial measures taken by the Government to make the Plant viable and profitable; and

(d) if so, arrangements if any made for the introduction of LNG instead of Naphtha and the details thereof?

Answer

THE MINISTER OF POWER (SHRI SUSHILKUMAR SHINDE)

(a) : Naphtha based Kayamkulam Combined Cycle Power Project of NTPC has not been fully utilized in the recent years as beneficiaries were not giving any generation schedule since July, 2004 mainly due to substantial increase in the naphtha prices. The price of Naphtha was Rs.6200/Metric Tonnes (MT) and variable (Fuel) charges of 114.14 Paisa/Kilowatt-hour(KWh) during 1995 when this project was conceived and has since shown an upward trend. The present Naphtha price is around Rs.38744/MT and variable

(Fuel) charges of 704 P/KWh. The plant remained completely shut down from July, 2004 till December, 2004 for want of schedule from Kerala State Electricity Board(KSEB) and Tamil Nadu Electricity Board(TNEB) who have been allocated 50% capacity each. The station was restarted w.e.f. 6th January, 2005 on getting a schedule of 160 MW from TNEB and thereafter station have been scheduled by TNEB intermittently for meeting its short term peaking requirements.

The operational performance of Kayamkulam station for the last three years is as given below:

Parameter	2006-07 (April, 06 to June, 06)	2005-06	2004-05	2003-04
Machine Availability(%)	99.72	99.73	90.23	91.60
PLF(%)	40.46	11.38	19.74	67.06

(b) : The matter has been taken up with Ministry of Finance for exemption of applicability of Excise Duty/Countervailing Duty on Naphtha supplies to Rajiv Gandhi Combine Cycle Power Project (RGCCPP), Kayamkulam.

(c) & (d) : It has been decided to earmark 2.1 million metric tones per annum

(MMTPA) out of the 2.5 MMTPA of Liquefied Natural Gas (LNG) expected to be sourced by Petronet LNG Limited (PLL) from Australia for their proposed re-gasification terminal at Kochi for meeting fuel requirement of existing Kayamkulam CCPP and

expansion of Kayamkulam (3x650 MW i.e. 1950 MW). Fuel Supply Agreement in this regard is yet to be signed.